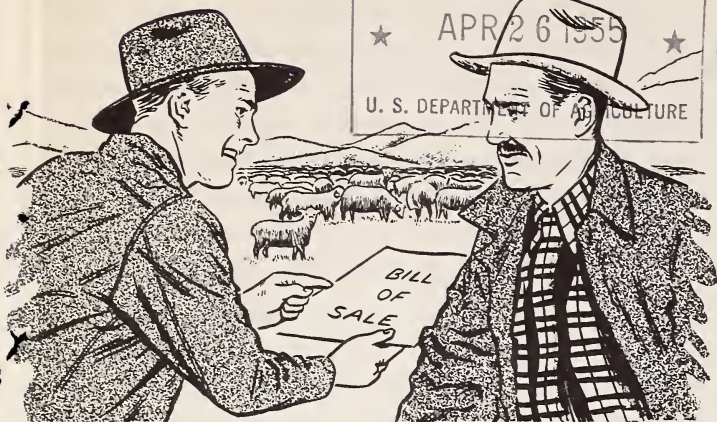
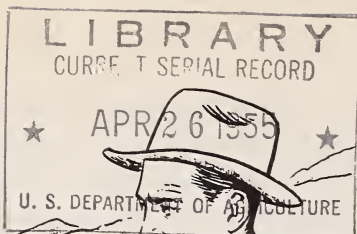


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THE NEW WOOL PROGRAM - HOW IT WORKS

The National Wool Act of 1954 provides for incentive payments on your shorn wool. Under the act, payments also will be made on the wool on lambs and yearling sheep sold for slaughter.

When you market your shorn wool, or lambs and yearlings, be sure to—

1. Sell for the highest price possible.
2. Obtain complete sales records.

SHORN WOOL

Here's why the highest selling price for your shorn wool is important:

Payments are based on a percentage of the price you receive rather than on a flat cents-per-pound rate. So the higher the price you sell for, the bigger your incentive payment will be.

In other words—the incentive payment will not “make up the difference” for a poor selling job.

A good job of selling actually can mean extra dollars to you. A little arithmetic will show where those dollars will come from.

The Department of Agriculture has announced an incentive price of 62 cents a pound on shorn wool for the April 1, 1955–March 31, 1956, marketing year. Let's assume that wool prices during the marketing year actually average 50 cents a pound. To bring the average of 50 cents to the incentive level of 62 cents, each producer's price would need to be increased by 24 percent.

Now let's say that you sell 1,000 pounds of wool for 50 cents a pound. From the buyer you'll receive \$500. From the Department of Agriculture you'll get 24 percent more, or \$120, making a total return of \$620.

But let's suppose that you sell for 70 cents a pound. The buyer will pay you \$700 for your 1,000 pounds and the Department will give you the 24-percent payment of \$168. Your total return, then, will be \$868.

Careful marketing in this instance would increase your return by \$248.

LAMBS AND YEARLINGS

Payments are made for lambs and yearlings sold for slaughter with the wool on. These payments are designed to maintain the practice of marketing lambs and yearlings "in the wool."

To show how the payments on animals are arrived at, let's assume that the average price received by producers for shorn wool in the 1955 marketing year is 50 cents a pound. Then the computations would be as follows:

(1) The difference between the incentive price and the average price is computed—12 cents; (2) 80 percent of this difference is derived—9.6 cents; (3) the derived figure of 9.6 cents is multiplied by 5—48 cents, which is the payment per hundredweight.

(The 80 percent differential is because pulled wool is normally of coarser grade and shorter

staple length than shorn wool. The 5-pound figure used as a multiplier is an average for the wool per hundredweight of animal.)

Here again, be sure to sell your animals for what they are worth, because the compensating payment is a flat rate per 100 pounds. For example:

Let's suppose that the compensating payment turns out to be 48 cents a hundredweight. If you sell a 100-pound lamb for \$20, your total return will be \$20.48. But if you sell the same lamb for only \$18 (on the false assumption that the payment will "make up the difference"), your return will total only \$18.48. Good marketing in this case would mean \$2 more in your pocket.

SALES RECORDS

Sales records are the basis for payments under the new program.

Sales records for *shorn wool* should show name and address of buyer, date of sale, name and address of producer, net weight of wool sold, and net proceeds to producer after normal marketing deductions.

Bills of sale for *lambs and yearlings* must show: Name and address of slaughterer; date of sale; name and address of seller; number, description, and net live weight of animals sold; and include certification that *the animals were purchased for slaughter, and that they had or had not been shorn*. The bill of sale and certification may be endorsed to a prior owner, who can then get the payment. Animals that have been shorn, but that have at least a 1½-inch growth of wool at time of sale for slaughter are eligible for payment upon certification by the applicant.

WHEN PAYMENTS WILL BE MADE

Payments on shorn wool and lambs and yearling sheep will not be made until after the end of the 1955 marketing year—and the marketing year will not end until March 31, 1956. So payments will begin in the summer of 1956. Payments of less than \$3 will not be made.

Payments will be made only on wool shorn on or after January 1, 1955, and sold on or after April 1, 1955. Likewise, payments will be made on lambs and yearlings only if they have been sold on or after April 1, 1955.

To be eligible for payments, the applicant must have owned the sheep or lambs from which the wool was shorn, or the lambs and yearlings, for at least 30 days.

MOHAIR

The mohair program, also authorized by the National Wool Act, will be handled in the same way as that outlined for shorn wool. The support price for the 1955 marketing year is 70 cents per pound.

ASC COMMITTEES HANDLE THE PROGRAM

Your point of contact on wool payments is your local Agricultural Stabilization and Conservation office. The ASC office will help you fill out your application for payment (from information on your sales records), will make any payments that may be due, and will be able to furnish you any detailed information you might require as to the payment program.

